

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6641

BILL NUMBER: HB 1241

NOTE PREPARED: Dec 20, 2012

BILL AMENDED:

SUBJECT: Lake County Municipal Taxes.

FIRST AUTHOR: Rep. Smith V

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a municipality in Lake County may adopt an ordinance to impose a tax of the municipality's own design during the period beginning July 1, 2013, and ending September 30, 2013.

Effective Date: July 1, 2013.

Explanation of State Expenditures: See *Explanation of Local Expenditures*.

Explanation of State Revenues:

Explanation of Local Expenditures: If a municipality in Lake County adopts an ordinance to impose a tax, they would be responsible for the administration of the tax. The bill allows the municipality to enter into an agreement with the Department of State Revenue (DOR) to have the tax collected in the same manner as other listed taxes. It is assumed that any agreement would include reimbursement for DOR's expenses if the tax was not collected locally. The bill does provide that if the municipality adopts a sales tax, then the municipality will have to cooperate with DOR to ensure compliance with the Streamlined Sales and Use Tax Agreement.

Explanation of Local Revenues: This bill allows the fiscal body of a municipality in Lake County to adopt an ordinance to impose a tax between July 1, 2013, and September 30, 2013. Any tax imposed by this ordinance would be in effect until the ordinance is repealed. The bill does not specify what type of tax may be imposed. Any impact will depend upon local action.

State Agencies Affected: DOR.

Local Agencies Affected: Municipalities in Lake County.

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.